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TRANSCRIPT OF PRESS CONFERENCE HELD BY MR. EDMUND WELLENSTEIN
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INTRODUCTORY REMARKS

Mr. Wellenstein: Good morning. First, I would like to explain the nature of the visit the Common Market delegation has paid to Washington these past days, at the invitation of the United States Government. It is a visit in a series of current contacts that have taken place for a number of years now, but with a certain increased intensity these last times about mutual trade problems. We have had American cabinet members and undersecretaries in Brussels in the past month. There have been contacts between Secretary Hardin and Dr. Mansholt, our agricultural Commissioner, and this time Mr. Deniau, Commissioner responsible for foreign trade, has come to Washington at the invitation of the United States. The aim of such a visit is not to negotiate anything, or to settle anything concretely, but just to make a tour d'horizon of all kinds of affairs being discussed in different frameworks, either in GATT or in UNCTAD or anywhere else, and to try to pave the way for sensible solution for the many kinds of problems that arise.

Now there are two orders of problems. First, a normal amount of trade friction on more or less important specific points bound to arise between trade entities of this size. Indeed, the Community and the United States are the two biggest single trade entities in the world, and it would be amazing if they did not have a number of current, little troubles that have to be settled and reasonably resolved in order to prevent them from growing beyond their proper proportions. Second, there are a number of world-wide problems in which the United States and the Community, because of their size

and their importance, play an essential role. Of these, we can say that a solution can be found if the United States and the Community plus, in these times, Japan and other important nations, come to a common approach. But you can't solve them if they do not do that. The Kennedy Round was an important example in recent history.

GENERAL PREFERENCES

We have now what I think is a most important affair before us -- the general preferences scheme for underdeveloped nations. There are, of course, other subjects that are drawing much attention here now, such as certain agreements that the Community has concluded in the Mediterranean, or that it is negotiating -- that are in conformity with GATT, but which seem to cause concern in the United States and about which an explanation seems to be very appropriate at this time. That's about the nature of the problems we discussed. If I may speak of the smaller points of friction, you know, for example, that some aspects of the common agricultural policy of the Community cause concern in the United States. We discussed this intensely, of course, as we always do. On our side we are very eager to see the full Kennedy Round implemented and to see that ASP will at last be abolished, which would pave the way for further steps and trade liberalizations that are now under study. And there are some matters about custom duties that have been increased in the United States for instance on some woolen products from the Community. We went through all these; and, on a number of points, I think these exchanges really were very useful, not because they led to an immediate settlement but because they created the prospect for a fruitful discussion in the future. If I may say one final word about the overall situation, we had the feeling, and we tried to draw attention to that over here, that sometimes through the trees we no longer see the woods. People concentrate so much on specific issues which interest them that they tend to forget that if you look at U.S.-Community

trade relations and economic relations as a whole, it's probably the most satisfactory part of world trade relations that you can find. Statistics are there to prove it. We gave out a little paper to recall these figures, and this was only to put things in their proper perspective and not have people believe that everything is only disaster. In brief, we feel that this visit has been extremely useful. It's much better to talk about things directly than to shout at each other over the Atlantic without direct contact. Thank you very much.

QUESTIONS AND ANSWERS

Q. Where is Mr. Deniau?

A. He was invited by the American Ambassador to the Community to join in a seminar in Aspen where he will spend a few days, and then he goes back to Europe, as we do tonight.

ASP

Q. Mr. Wellenstein, did you get any assurance -- if this is the correct word -- about ASP. When and how it will be abolished?

A. I don't think you can talk about assurance on such a matter which depends on legislation. We found that, on the American side, people are as aware as we are of the extreme importance of the matter, not only in itself but also as an essential element that is necessary if we want to keep things moving in the future.

GENERALIZED PREFERENCES

Q. Did you make any progress on the question of preferences, any new approach...?

A. I would say that, indeed, we made some progress. We found, as you often

find, that although one thinks that the other side has understood your viewpoint perfectly well, there are still quite a number of points on which there are misunderstandings, either as to the nature of the U.S. scheme or the Community's scheme. Although different in their technicalities, they are not necessarily so far apart in their economic impact. We found that on the American side conviction was as strong as on our side that this is one of the most important problems of world trade policy and must be settled within a very reasonable period of time. There was a willingness to look at it in this spirit and to appreciate each other's efforts; to find that, if they led to comparable results, it was perhaps not so necessary that they coincide in every detail. Situations may be different. There may be reasons not to adopt the same technically exact plans. Trade legislation, for instance, in the United States is different from ours. So it may not be possible in every detail to have exactly the same plan. What is important is that the plans have the same economic impact and that the burdens that are borne by the two parties and by all the other industrialized nations in the world are comparable in relation to their size.

Q. Was any agreement reached, Sir, on one of the basic differences ... the difference between the United States generalized world-wide system for all countries and, what I understand to be the EEC approach, to retain historical preferences for certain countries?

A. I am glad you asked that question, because it is not a different approach. It is a different situation. Both our approaches are what we need. What's more, it has been politically promised to the underdeveloped countries: within a short time a general preference scheme which will profit all underdeveloped countries in the same way as your general one. We have a number of cases

which, as you said, stem from the historical links that certain under-developed countries had with Community member countries. These had a preferential access, quite legitimately, to certain markets. I would have been really inequitable to take it away from them. So, what happened when the Community was founded was that these historical preferences were transformed to^a Community basis, and they have taken the form of agreements with the Community. It is not our intention to make that into a system which would spread over the whole world. It is a limited number of cases that have been settled this way. They all have to come up before GATT. They can be examined in GATT. The contracting parties can have their say about it, and we are handling them according to normal existing procedures.

Q. But you would agree that the same preferences should go to all under-developed countries, irrespective of historical links?

A. The general preference scheme must be absolutely general, that's right.

Q. Must be absolutely general? Is that eventually, or in a relatively near future, when the scheme is initiated?

A. Yes, when the scheme is initiated.

Q. How can you get preferences if the United States says you can't have them on textiles and you take your historical preferences on other countries. What chances do you really have that they will make any inroads toward preferences in the first place. I mean, when do you envision some concrete results in this respect?

A. Textiles?

Q. Not necessarily textiles, preferences of any kind for any industry for underdeveloped countries if the United States says you can't do it with textiles, if you take historical preferences of certain countries or other industries, when can we expect some concrete results?

A. Well, I think we must distinguish. The general preference scheme is for manufactured and semi-manufactured products. The number of agreements you refer to, which we have with some countries, are with countries which do not yet produce any manufactured and semi-manufactured goods. So in the agreements we have, for instance, with the African countries, there are certain advantages; but they are in no way the same as wheat they would get from a general preference scheme, because it is a matter of products.

Q. In other words, we'll start them off from the beginning. You don't make any manufactured or semi-manufactured products, we start you from there. So therefore you are not getting any preference in the first place. You don't do it, therefore, you are not getting any preference?

A. No, the moment they make those goods, they will have the preferences; but as I said, for the moment it is not very interesting for them because they do not make those goods.

PROTECTIONIST ATTITUDES IN THE UNITED STATES

Q. What did you find about the overall protectionist attitude of the United States in your talks here?

A. We have, of course, been alarmed and preoccupied by a number of bills that

have been presented in the past. We found in our talks that we are in full agreement with the U.S. Administration. If either one of us makes a big inroad into the normal rules of trade, it could lead to a chain of reaction and would be extremely dangerous. One cannot envisage that one party does it without the other retaliating in some way or other. It's as true for us as well as for the United States.

TEXTILES

Q. If the United States is negotiating on textiles, if it should get a so-called voluntary agreement, with Japan and the other exporting textile nations to the U.S., if it should get what it is seeking, how would you view that, would that be protectionist?

A. It would depend entirely on the content of the agreement.

Q. Well let's just assume that in the ball park of the long-term cotton textile arrangement, let's assume, balanced growth and all the other things that this allows for ... how would you view that?

A. I think the question is not there. The question is whether the arrangement, which is a matter in the first place between the United States and Japan, and not our affair ...

Q. ... Other than Japan, I mean Japan is just an opening.

A. If the arrangement is one which relates to concrete difficulties that arise within the United States or anywhere else and it aims at eliminating or alleviating those difficulties, this would not be in contradiction to the general principles of trade policy. A global arrangement without any reference to specific

difficulties would be another matter. If I understand the situation, that's what the Japanese are worried about, making a general arrangement for a whole sector without reference to specific difficulties that have to be solved.

Q. Well, they are working for a general arrangement. I mean, they are just talking with Japan because they want bilateral agreements with individual countries, but they're certainly working toward a world arrangement. So, in that light, would this be, in your view or in the view of the Common Market, protectionist?

A. It depends on the content of what you call the world arrangement. First of all, it is quite clear that the textile issue does not interest only the United States and a number of countries in the Far-East -- Japan, Korea, and others. The textile issue is a very lively one in world trade policy because it is one of the main products of underdeveloped countries. So, if between Japan and the others and the United States something is worked out, no doubt it would have to be looked at on the international level with the other interested countries. Now, if it is protectionist or not depends on the content of the agreement that will be reached, not on the number of countries that participate. If it is an agreement which copes with specific difficulties and aims at alleviating specific difficulties that arise from imports and which put people in trouble, this would not be in contradiction with the general philosophy of trade policy.

Q. In other words, the United States can reach an agreement with Japan, Hong Kong, Taiwan, Formosa, other exporting countries, to limit specific exports to the United States in the same general principle of long-term

cotton textile arrangement, and this would not necessarily be protectionist?

A. May I put it another way? If on the way to solve these textile problems, a consensus is worked out between the United States and these other countries, no doubt the matter will have to come up on the international level, because there are many other interested countries. You could not envisage some partners doing things that are completely different from what other partners do. So it would have to come up internationally anyhow. The point for the moment is on what kind of formula the discussion will be.

Q. Are you trying to distinguish between temporary controls to see American industry over a difficult period and long-term permanent controls?

A. I think the differences are rather between specific measures for specific difficulties, which are in conformity with the general philosophy of trade policy, or overall measures even before specific difficulties in a certain product or a certain group of products have been demonstrated. That's the difference.

PROTECTIONISM

Q. Were you disturbed about ^{the} protectionist attitude of the United States at all, or do you think that this is a passing fancy, a fad, or of such proportions that you could be disturbed?

A. I said before that we have been very preoccupied about the different bills that have been proposed and we of course continue to consider this the most important aspect. If the United States gives in to these pressures, there is no question that other countries will have to take similar measures. So, in this sense, we are disturbed. If you ask: did we find comprehension for this viewpoint here, that it isn't be that one big partner in world trade

does restricted things and the others maintain a liberal policy?, on this we found full comprehension.

Q. Mr. Wellenstein, so far you have been talking about American protectionism, but during your talks here, did protectionism in the Common Market come up?

A. I did not hear the word, but I mentioned before that among the things which we discussed were certain effects of the common agricultural policy. They were brought up, certainly.

TAX ON THE VALUE ADDED (TVA)

Q. About the value-added tax and your non-tariff barriers, did the United States officials complain about that? Did you make any concessions in that light. What was discussed in that area?

A. I think there is a much fuller understanding today that the value-added tax is in no way a non-tariff barrier. It has nothing to do with non-tariff barriers. It is a tax which is paid by everyone, importer or exporter.

Q. Did the U.S. officials see this as a non-tariff barrier?

A. We had, with several U.S. officials, talks which seem to us that they see this in the proper light; yes.

Q. Did they ask you to take any action with regard to the TVA in the Community countries?

A. You know the TVA and its effects are before a working group in GATT. That work certainly goes on. I think the discussion has narrowed down

to a small margin today. It used to be that our entire tax system, as such, was under discussion. I do not think that's the standpoint any more. What we now speak about is about certain marginal effects of introducing new tax systems on trade. That's a completely different subject.

Q. When you refer to introducing new taxes, Sir, you mean increasing the effective rates of the TVA?

A. No. That's not the point because the effective rates are always paid as much by the inland producers as by those who import. So that's not the point at all. The point is whether under the previous tax system there was full compensation, whether they paid exactly the same amount when they imported as paid the inland producers. In certain cases, there was not a full identity because our previous systems were less good than the present one. We have now a full identity between what the importer pays and what the inland producer pays. So there may have been a small shift -- a small one -- between the comparison of what an importer and the inland producer paid previously to what they pay now. The discussion narrowed down to that margin.

Q. If the United States were to enact a value-added tax to replace part of the present corporate income tax, would the European Common Market consider this a protectionist tax?

A. Absolutely not. Because it is a neutral tax.

Q. In other words, they you answered the question.

British Entry

Q. Was there any discussion of the indications one had some time ago -- discussion on United Kingdom and other countries' entry in the EEC -- that it would have the effect of significantly delaying progress in GATT, which I would think the United States was interested in making, let's say at the beginning of or during 1971, in a significant way? Has this entry discussion, in effect, delayed significant progress in GATT on NTB's or agricultural matters?

A. I don't think so. I don't think so. Of course the point of British entry, etc. was discussed because it is one of the points in the foreground at the present time. A discussion in GATT about the speed at which you tackle NTB's and other problems is not at all linked to that problem. May I ask perhaps Mr. Hijzen to say a few words, because he was in Geneva when these talks took place 10 days ago.

Mr. Hijzen - I know there was some expectations that we would have decided that there would be negotiations in 1971. It was in the press before. The reason why we could not take that decision has never been discussed, anyhow not by us. Perhaps someone has it in mind. In light of the admission of the British, the arguments we had for this were of purely practical character. At this time when the preparatory work has still to be done it would be recognized in GATT. It's absolutely too early to say now exactly what you're going to do in 1971, exactly in such technical, very complicated matters as non-tariff barriers and agriculture. It has nothing to do with policies, it's simply a question of technics.

Q. As far as you are concerned, therefore, the discussions on entry of other countries is not a causal factor in the main progress in GATT?

GENERALIZED PREFERENCES

Q. You said earlier that it is urgent to get some agreement on the general

preferences for LDC's in a very reasonable time. Then a moment later you said that these general preferences would be limited to manufactures and semi-manufactures which many of the LDC's don't market. I don't understand why it's necessary to get the agreement so urgently.

A: Well, sir, the broad nature of the generalized preferences scheme was one that was decided on in UNCTAD between the underdeveloped and the developed nations, in two big conferences. You remember the last one was two years ago. They came to these broad approaches: there will be generalized preferences for semi-manufactured and manufactured products; they will be discussed; and, as quickly as possible, they will be put into effect. On transformed agricultural products, all developed countries will submit a list, a limited list, of which products they can give preferences. There we do not have agreement that we would have a general across-the-board preference. That's the point. So the scheme concentrates on manufactured and semi-manufactured products, since at the outset that is how it was conceived. Mr. Wellenstein: May I add a word to that? You spoke of not being interested, but we were speaking about the very poorest countries in Africa, which has a very small industry. But there are a lot of other countries which are very much interested.

Q. And that's where the urgency comes from.

Q. Could you name any industries, just as an example, that might be included in a preferential scheme?

A. In our scheme, all industries are included, all sectors. That's one of the difference with the scheme of the United States. In the proposal that the United States submitted, there are excepted sectors: textiles, shoes ...

Q. Textiles wouldn't be on this basis ... (Mr. Hijzen: why not?)

Because the United States, the State Department, has already said that they won't be.

Mr. Hijzen: Yes, that's why I said ...

Q. So, they will be. I mean if textiles won't be, what will be?

A. There are two plans. There is the U.S. plan, which has been submitted to the OECD, which will be submitted to underdeveloped countries and will be discussed. It is a scheme which provides for generalized preferences, with three exceptions: textiles, shoes, oil and oil products, plus a safeguard clause. A preference is franchised, full franchise of duty, zero duties, but a safeguard clause that could be denied. Our scheme has no exceptions, all sectors are included, textiles also, shoes also; no safeguard clause, but a system in which if imports under the preference scheme go beyond a certain point, we could put an end to the preferences, not to the import, but to the preference. So they are two different technical schemes, both with limitations but different limitations.

Q. Sir, when do you expect something to happen on this?

A. Our feeling is that it is not necessary, nor feasible, nor good for the underdeveloped countries if we try to fully harmonize these systems. Our feeling is that what we have to harmonize are the burdens that each one of us carries. If these burdens would be unequal the situation of course would become intolerable. We have to take a commitment that the schemes, and the way we apply them, lead to the sharing of the burden in an equitable way. There may be good reasons for the United States to have excepted textiles, for instance, from this scheme. We did not have to except them, so we have them in. There is no reason that we should except them also.

Q. What you seem to be saying when you say all industries except textiles, shoes, and oil ... In other words, you are not going to give any arrangement that is worked out which would be for part bias in those industries.

In other words you're simply saying, and correct this if I'm wrong, that it will be a certain amount of the market of each industrialized nation...

In other words, you can produce up to a certain point, but you just can't develop this industry. Produce it full blast, and export what you can. Am I right or am I wrong in this? Are you saying that they will be granted a certain amount of the market of an industrialized nation?

A. Our scheme is not in terms of market shares. That's not it. We said you can get a preference for the amounts you import already, plus an additional amount which about doubles the amount you import already, plus a growth rate. We only stop the preference beyond that level if there are difficulties. If there are no difficulties, it can go beyond.

Q. What sort of difficulties?

A. Well, the kind of difficulties that you read about in the press all the time, for instance, with the textile industries.

ASP

Q. Mr. Wellenstein, what will happen if Congress refuses to abolish ASP?

A. I think that would be a very great setback for further proceedings in GATT, because ASP is not ASP on the American side. It entails certain adjustments on the taxation of automobiles, in Europe, which was an old United States claim. Well if the whole package goes down the drain, the package that was arranged in the Kennedy Round, the credibility of further moves of this kind, which

require Congressional approval, will have been reduced very considerably. For instance in the NTB's, for which all parties have drawn up long lists of what they would like to have disappear in other countries, customs evaluation is an important point for us. You know that the United States do not apply the same customs nomenclature that other countries apply, and that their customs evaluation varies from product to product. It can be normal. It can be artificially high. That's one of our claims, that it should be adjusted over the whole line. ASP was the most important example of this kind of thing. If we talk about non-tariff barriers in general, this is the subject which will come up. Now, if it is impossible to abolish ASP, even against the important concessions that go with it from our side, how would it be possible to make progress on other, similar things?

PROPOSED U.S. TRADE ACT

Q. Are there any other elements in the trade proposals of the President to Congress that caused you any difficulty or great concerns? Excuse me, I would like to re-phrase the question. Do you approve of all the other elements in the trade proposals made by the President?

A. It is not for us to approve or disapprove, but I can say that ^{we} were very glad when we read the trade bill. Apart from ASP, which is a matter in itself, the bill, if it is adopted, will enable the United States to participate more normally in the current work of GATT. Let me give an example: we have the increase of duties decided by Congress on certain woolen products. This was against a commitment taken in GATT. Now this is permissible in GATT if you compensate the increase taken in this area, against wool, with a decrease somewhere else. But the U.S. Administration simply has no possibility to make such adjustments. This of course creates friction, and a small matter which otherwise could be easily settled stays on the books and creates bitterness,

and we do not get rid of it. So, the trade bill will be a great relief in that it gives a margin of maneuver to the Administration to settle such current affairs. And we were glad of it. Also the adjustment assistance we think is good.

Q. Are there any elements which give you concern in the bill?

A. No.

TEXTILES

Q. Does the EEC have any intention, or would the EEC like to limit exports from the United States of man-made textiles. Is there any concern in the EEC about U.S. exports?

A. U.S. exports of man-made textiles?

We are quite important importers of U.S. textiles, especially synthetic textiles. The figures are impressive, but I have heard about no claim to limit the amount of that.

Q. What about preferences for South America, rather than the world as a whole. Did you agree to this, and what is your reaction to it?

A. We would think that would be a very unhappy development.

COMMON AGRICULTURAL POLICY

Q. Sir, what specific aspects of the CAP came up during your discussions?

A. May I ask Mr. von Verschuer to answer that.

Mr. von Verschuer . Well, we have a long list of specific problems in this field. I think that the overall situation is that the United States claims that the common agricultural policy gives too much support to farmers in

Europe. We claim that, under the actual conditions and with the social problems we have in the Community in the field of agriculture, this support for the time being is necessary, and we are looking for creating conditions under which it becomes possible to diminish this support. If you remember, the United States were in about the same situation 10 or 15 years ago. We have looked at the matter and the tendency is, I think, and we have a good hope, that this will go on, to try to live with the actual problems we have, which is a problem of oversupply for some of the most important markets.

Q. Have you thought of converting to the American system where you pay farmers not to grow things rather than paying them to grow things you can't sell?

A. We touched on this question as well. Our American friends, especially in the Department of Agriculture, informed us about the measures actually contemplated or introduced for putting cereal acreage out of production. On our question, "what will be the result in terms of production volume?", the answer was that this will lead to a stabilized production volume, that means avoid further increase. We explained that in Europe the situation is different because, up to now, most of the farms which have mixed farming, producing different products. So it makes no sense to put out of production small acreages of grains production on each farm. What we are looking for is to create the necessary instruments and the necessary conditions for putting out of production farmers and farms.

Q. Mr. Wellenstein, in recent press reports the word "dumping" was used frequently. Was it used in your conversations here?

A. No

QUOTAS

Q. If the Congress of the United States enacts any legislation setting quotas on imports of any large industry, do you think that this would be protectionist and it would cause retaliation from the Common Market?...

Could this be accepted? I am thinking again of textiles specifically, because this is the one bill which is being considered. Wilbur Mills of the House Ways and Means Committee has made such a threat.

A. We speak about a whole sector: quotas, globally isolating a whole sector, an important sector, from normal rules of trade, that would be contrary to GATT. I do not see how pressure which also exists in other countries could be contained when you do similar things, perhaps, in other sectors.

Q. What about steel-mill products? Is everyone satisfied with the voluntary quota system of exports?

A. We are not very satisfied with this kind of system because it sort of by-passes the normal proceedings for trade policy. At the moment, there has been a boom in steel for several years. There are really no practical problems over imports of steel. So, on the practical level, there is no problem. It's the principle we do not like.

EEC PREFERENTIAL ARRANGEMENTS

Q. What was the nature of your discussion concerning the proliferation of countries that have been associating themselves with the EEC under more or less preferential schemes? I believe it's a Mediterranean issue.

A. We explained that we in no way intend, as one of your colleagues said

formally, to make this into a policy and to spread more and more into preferential arrangements with more and more countries. We explained that we had a number of specific cases, for the most part stemming from those historical links we spoke about, countries which had a right to preferential access into the Community or parts of the Community, which were transformed into Community agreements: plus a limited number of countries of similar economic structure bordering on those, and that's the Mediterranean. We explained that in no way did we intend, beyond those specific cases, to make this into a general policy.

Q. Can you name the countries where you would end an application of a preferential relationship with the EEC?

A. The Mediterranean border countries.

Q. How about East-Africa, Sir? There was a preferential agreement this last year, wasn't there? The African countries are pretty far away from the Mediterranean.

A. It exists yes. It's an existing case, yes. I thought the question was: will this go on and on? The existing cases are countries in Africa which had links which formed an economic whole formerly with France, with Italy, with Belgium. That's the African group. Years ago, some countries in Africa asked to benefit from more or less the same kind of system, that's East Africa. That exists. Now the question is "where does this stop?" I say the answer is, it stops beyond the cases we have in the Mediterranean border countries.

Q. There are really two issues, as I understand it. One relates to the preferential scheme for LDC's, and the other relates to the more or less developed countries bordering the Mediterranean?

A. Well, or more or less underdeveloped.... with Turkey and Greece we have a long-standing arrangement, for many years which aims, in time, at full membership in the Community. There are European countries, and they are eligible for membership. Only their economic development did not permit doing this in a very short time. But there is a timetable, in conformity with GATT, to make them, after a number of year, fully participants in the Community. It's a different case.

Q. Shouldn't enlargement of the Common Market change that? Britain has trading relations with African countries and the Commonwealth countries which are rather widespread. Under this system, there is a possibility of spreading the preferences to a wider geographical area.

A. You're quite right, Sir, but that's a problem that will come up.

Q. It did not come up this week?

A. No, it did not come up.

Q. Sir, if the United Kingdom joins the Community, would you expect they would shift their food import from Commonwealth suppliers to the EEC entirely?

A. They have shifted their food import needs in history several times, from Argentina to Australia. There certainly will be other shifts again in the

future when it is part of the Common Market, it's quite normal.

Q. Do you expect the Community will be the principal beneficiary of that?

A. (No answer).

Q. Was U.S. direct investments in Europe discussed?

A. It was not so much discussed as we pointed out that if you look at the overall balance of economic relations, U.S. investments in Europe and the return on these investments which has become quite considerable in the meantime is a non-negligible factor.

Q. How will the EEC preference arrangement affect petroleum imports from North Africa and the Persian Gulf?

A. There is no direct impact. Import of petroleum normally in our countries is free, with one exception, that is France, which has certain privileged sources, exactly those countries with which it had historical links. But I think the flow of petroleum from the Middle East and from North Africa into the Community will continue in the same way.

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